
Tobin & Co.

South Arm Township

Charlevoix County, Michigan

Audit Report

For the Year Ended March 31, 2004

AUDITING PROCEDURES REPORT

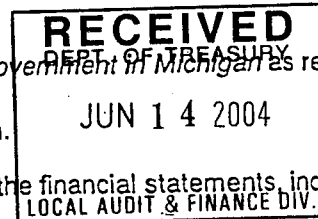
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Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other <u>South Arm Township</u>			County <u>Charlevoix</u>
Audit Date <u>3/31/04</u>	Opinion Date <u>6/2/04</u>	Date Accountant Report Submitted to State: <u>6/9/04</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) <u>TORIN & CO, PC</u>			
Street Address <u>400 E 8th ST</u>	City <u>TRAVERSE CITY</u>	State <u>MI</u>	ZIP <u>49686</u>
Accountant Signature <u>David S. Baskin</u>			

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INTRODUCTORY SECTION

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Comments and Recommendations

We have audited the general purpose financial statements of South Arm Township, Charlevoix County, for the year ended March 31, 2004 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's general purpose financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of South Arm Township taken as a whole.

As a result of our examination, we deem it necessary to make the following comments and recommendations.

General

All recorded revenues were deposited timely and intact. Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be good. The Clerk maintains a computerized General Ledger which meets Uniform Accounting Requirements.

Budgets and Procedures

The Township prepared and adopted the required budget for its General Fund. The Township had no other budgetary funds for the audit year.

General Fund

The General Fund is presented on Schedule 1. Revenues exceeded expenditures by \$58,690. The fund balance at March 31, 2004 was \$332,631.

Current Tax Collection Fund

1. Property Taxes collected were distributed to taxing units prior to the end of the fiscal year and distributions were in accordance with statutory requirements.
2. This function was efficiently handled by the Treasurer. Receipts were filed in order of payment and deposits were made timely and intact.
3. Schedule 3 reflects the amount levied, collected and returned delinquent for the 2003 property tax levy.

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Comments and Recommendations

General Fixed Assets

See "Notes to Financial Statements" Note 4 for a statement of changes in general fixed assets (Land, Buildings, Equipment) for the audit year.

Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Burnham and Flowers and Municipal Underwriters of Michigan and has such coverage as Fire and Extended Coverage, General Liability, Workmen's Compensation, Errors and Omissions, etc. Coverage was reviewed by the Board in the audit year. The Supervisor, Clerk, and Treasurer and their deputies and the Zoning Administrator have surety bond coverage.

Payroll Procedures

Current payroll records and procedures appear good.

Other Data

The utilization of interest bearing savings accounts during the year resulted in earned interest of over \$3,529 which is a material amount for a Township of this size and operation. We commend the Treasurer and other Board members for the attention given this important matter.

After the completion of our audit, we will mail two (2) copies of this report to the State Department of Treasury.

We commend the Clerk and Treasurer for the condition of the Township records. We appreciate the courtesy extended our field auditor in the course of this examination. Your confidence is respected, and please contact us if any questions arise.

FINANCIAL SECTION

Tobin & Co.

REPORT OF INDEPENDENT AUDITOR

To the Township Board
South Arm Township
Charlevoix County
East Jordan, Michigan 49727

We have audited the accompanying general purpose financial statements of South Arm Township as of and for the year ended March 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of South Arm Township at March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of South Arm Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Tobin & Co., P.C.
June 2, 2004

South Arm TownshipExhibit ACombined Balance Sheet – All Fund Types and Account GroupsMarch 31, 2004

	<u>Governmental Fund Types</u>	<u>Fiduciary Funds</u>
	<u>General Fund</u>	<u>Current Tax Collections Fund</u>
<u>Assets</u>		
Cash in Bank	\$ 324,262	\$ 1,282
Cash on Hand	1,964	-
Accounts Receivable	-	158
Delinquent Taxes Receivable	6,028	-
Prepaid Expenses	377	-
Land and Improvements	-	-
Buildings and Improvements	-	-
Machinery and Equipment	-	-
Total Assets	<u>\$ 332,631</u>	<u>\$ 1,440</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Undistributed Taxes and Interest	\$ -	\$ 1,440
Total	<u>-</u>	<u>1,440</u>
Fund Equity:		
Investment in General Fixed Assets	-	-
Fund Balance – Unreserved	<u>332,631</u>	<u>-</u>
Total	<u>332,631</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 332,631</u>	<u>\$ 1,440</u>

The Notes to the Financial Statements are an integral part of this statement.

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Account Group

General	
<u>Fixed Assets</u>	<u>(Memo Only)</u>
\$ -	\$ 325,544
-	1,964
-	158
-	6,028
-	377
8,141	8,141
20,155	20,155
<u>30,877</u>	<u>30,877</u>
<u>\$ 59,173</u>	<u>\$ 393,244</u>

\$ -	\$ 1,440
<u>-</u>	<u>1,440</u>

59,173	59,173
<u>-</u>	<u>332,631</u>
<u>59,173</u>	<u>391,804</u>
<u>\$ 59,173</u>	<u>\$ 393,244</u>

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South Arm Township

Exhibit B

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

Revenues

Taxes	\$ 76,060
Licenses and Permits	1,200
State Grants	126,077
Charges for Services	5,340
Interest and Rents	3,529
Other	<u>392</u>
Total	<u>212,598</u>

Expenditures

Legislative	10,386
General Government	55,642
Public Safety	38,667
Public Works	35,248
Other	13,414
Capital Outlay	<u>551</u>
Total	<u>153,908</u>

Excess Revenues (Expenditures) 58,690

Fund Balance – Beginning of Year 273,941

Fund Balance – End of Year \$ 332,631

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Exhibit C

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund

For the Year Ended March 31, 2004

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Taxes	\$ 63,851	\$ 76,060	\$ 12,209
Licenses and Permits	2,000	1,200	(800)
State Grants	157,000	126,077	(30,923)
Charges for Services	4,010	5,340	1,330
Interest and Rents	5,100	3,529	(1,571)
Other	<u>75</u>	<u>392</u>	<u>317</u>
Total	<u>232,036</u>	<u>212,598</u>	<u>(19,438)</u>
<u>Expenditures</u>			
Legislative	10,465	10,386	79
General Government	70,395	55,642	14,753
Public Safety	48,625	38,667	9,958
Public Works	95,395	35,248	60,147
Other	12,800	13,414	(614)
Capital Outlay	<u>1,250</u>	<u>551</u>	<u>699</u>
Total	<u>238,930</u>	<u>153,908</u>	<u>85,022</u>
<u>Excess Revenues (Expenditures)</u>	(1)\$ <u>(6,894)</u>	58,690	\$ <u>65,584</u>
<u>Fund Balance -- Beginning of Year</u>		<u>273,941</u>	
<u>Fund Balance -- End of Year</u>		<u>\$ 332,631</u>	

(1) Budgeted from Fund Balance

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

South Arm Township is a general law township located in Charlevoix County. Population as of the 2000 census was 1,844, and the current state equalized valuation for taxable property is \$123,277,700 and the taxable valuation is \$69,744,240.

The Township's general purpose financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*", includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The financial activities of the Township are recorded in separate self-balancing funds and account groups categorized and described as follows:

Governmental Funds

General Fund – This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Fiduciary Funds

Trust and Agency – These Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Account Groups

General Fixed Assets – This account group presents the fixed assets of the Township utilized in its general operations (non-proprietary fixed assets).

C. Basis of Accounting

All governmental funds and fiduciary funds which are agency funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized when received in cash except for those susceptible to accrual, which are recorded as receivables when measurable and as revenue when available to finance current operations. Significant revenues susceptible to accrual include property taxes, expenditure reimbursement type grants, certain intergovernmental revenues and operating transfers. Expenditures are recorded when the liability is incurred, except for interest on long-term debt, which is recorded when paid.

D. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

E. Budgets

The General Fund is under formal budgetary control. The budget shown in the financial statements for this fund was prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements, the Township’s actual and budgeted expenditures for the budgetary fund have been shown on a functional basis. The approved budget for this fund was adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain general fixed assets consisting of roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems are excluded from general fixed assets because such items are immovable and of value only to the Township. General fixed assets are not subject to annual depreciation expense.

Fixed assets are recorded at historical cost. Donated fixed assets are valued and recorded at the fair market value at date of receipt. The Township does not capitalize interest incurred during the construction of fixed assets.

G. Property Tax Procedures and Collections

Properties are assessed as of December 31, and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	<u>SEV</u>	<u>Taxable Value</u>	<u>Millage Rate</u>
General Operating	\$123,277,700	\$69,744,240	.9692

H. Investments

There were no investments during the audit year.

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Total Column

The “total” column on the general purpose financial statements is captioned “memo only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund transactions have not been eliminated in the aggregation of this data.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provision of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2004.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2004, the following cost centers exceeded their budgets without formal amendment:

Treasurer	\$	2,094
Zoning Administration		939
Employee Benefits and Insurance		614

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds, securities, and other direct obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
3. In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
4. Repurchase agreements consisting of instruments defined in (1) above.
5. In bankers' acceptances of United States Banks.
6. Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
7. In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$349,064 deposited with local banks at March 31, 2004 with a carrying value of \$325,544. Interpreting the FDIC insurance coverage of \$100,000 per demand deposit account and \$100,000 per time deposit account in each depository, the Township had \$148,113 of uninsured deposits at March 31, 2004.

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 4 - STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	<u>03/31/03</u>	<u>Additions</u>	<u>Dispo- sitions</u>	<u>03/31/02</u>
Land and Improvements	\$ 8,141	\$ -	\$ -	\$ 8,141
Buildings and Improvements	20,155	-	-	20,155
Machinery and Equipment	<u>30,326</u>	<u>551</u>	<u>-</u>	<u>30,877</u>
Total	<u>\$ 58,622</u>	<u>\$ 551</u>	<u>\$ -</u>	<u>\$ 59,173</u>

NOTE 5 - LONG-TERM DEBT

The Township has no long-term debt at March 31, 2004, and no borrowing is anticipated in the near future.

NOTE 6 - LOANS AND ADVANCES BETWEEN FUNDS

There were no inter-fund loans or appropriations during the audit year.

NOTE 7 - INVENTORIES

South Arm Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

NOTE 8 - RETIREMENT PLAN

The Township participates in a defined contribution pension plan through Manufacturers Life Insurance. The plan covers all elected officials. The Township clerk is the plan administrator. Township contributions to the plan were \$6,611. All costs are paid by the Township. Covered payroll was \$28,102 for the 2003-2004 plan year out of a total payroll of \$33,948. The Township provides Social Security coverage for its officials and employees.

NOTE 10 - TAXES RECEIVABLE

The delinquent taxes receivable of \$6,028 in the General Fund represent 2003 real property taxes returned to the County Treasurer for collection as of March 31, 2004. This was recognized as revenue in the audit year.

Tobin & Co.

South Arm Township

Notes to Financial Statements

March 31, 2004

NOTE 11-CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities on the part of the Township.

NOTE 12-COMPENSATED ABSENCES

The Township does not provide for the payment to employees for sick leave, accumulated leave, etc.

NOTE 13-RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Burnham and Flowers and Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

Tobin & Co.

South Arm Township

Schedule 1

Page 1

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes:			
Current Taxes	\$ 57,559	\$ 61,707	\$ 4,148
Delinquent Taxes	5,577	5,935	358
Penalty and Interest on Taxes	600	494	(106)
Property Tax Administration Fee	-	3,201	3,201
Summer Tax Collection Fee	-	4,615	4,615
Swamp Tax	100	95	(5)
Commercial Forest	15	13	(2)
Licenses and Permits:			
Zoning	2,000	1,200	(800)
State Grants:			
State Shared Revenues	157,000	126,077	(30,923)
Charges for Services:			
Cemetery	500	663	163
Zoning	2,450	3,130	680
Land Division	1,000	1,275	275
Ordinance Sales	60	272	212
Interest and Rents:			
Interest	5,100	3,529	(1,571)
Other:			
Refunds, Reimbursements and Miscellaneous	<u>75</u>	<u>392</u>	<u>317</u>
Total Revenues	<u>232,036</u>	<u>212,598</u>	<u>(19,438)</u>
<u>Expenditures</u>			
Legislative:			
Township Board:			
Salaries and Wages	-	2,160	-
Supplies	-	503	-
Legal	-	3,998	-
Audit	-	1,828	-
Dues	-	1,216	-
Printing and Publishing	-	194	-
Training and Education	<u>-</u>	<u>487</u>	<u>-</u>
Total Legislative	<u>10,465</u>	<u>10,386</u>	<u>79</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Schedule 1

Page 2

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>			
General Government:			
Township Supervisor:			
Salaries and Wages	<u>-</u>	<u>6,020</u>	<u>-</u>
Total	<u>6,385</u>	<u>6,020</u>	<u>365</u>
Elections:			
Total	<u>920</u>	<u>-</u>	<u>920</u>
Assessor:			
Supplies	<u>-</u>	<u>650</u>	<u>-</u>
Contractual Services	<u>-</u>	<u>9,235</u>	<u>-</u>
Computer Program	<u>-</u>	<u>8,196</u>	<u>-</u>
Land Division Fees	<u>-</u>	<u>160</u>	<u>-</u>
Total	<u>25,000</u>	<u>18,241</u>	<u>6,759</u>
Clerk:			
Salaries and Wages	<u>-</u>	<u>7,556</u>	<u>-</u>
Supplies	<u>-</u>	<u>666</u>	<u>-</u>
Postage	<u>-</u>	<u>143</u>	<u>-</u>
Computer Program	<u>-</u>	<u>60</u>	<u>-</u>
Total	<u>9,075</u>	<u>8,425</u>	<u>650</u>
Board of Review:			
Salaries and Wages	<u>-</u>	<u>690</u>	<u>-</u>
Supplies	<u>-</u>	<u>123</u>	<u>-</u>
Printing and Publishing	<u>-</u>	<u>407</u>	<u>-</u>
Total	<u>1,400</u>	<u>1,220</u>	<u>180</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

South Arm Township

Schedule 1
Page 3

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Expenditures (Continued)</u>			
General Government (Continued):			
Treasurer:			
Salaries and Wages	-	11,787	-
Supplies	-	2,283	-
Postage	-	2,042	-
Education and Training	-	15	-
Computer Program	-	1,182	-
Total	<u>15,215</u>	<u>17,309</u>	<u>(2,094)</u>
Township Hall and Grounds:			
Supplies	-	113	-
Contractual Services	-	931	-
Telephone	-	591	-
Public Utilities	-	1,486	-
Maintenance and Repairs	-	476	-
Total	<u>10,650</u>	<u>3,597</u>	<u>7,053</u>
Cemetery:			
Contractual Services	-	830	-
Total	<u>1,750</u>	<u>830</u>	<u>920</u>
Total General Government	<u>70,395</u>	<u>55,642</u>	<u>14,753</u>
Public Safety:			
Fire and Ambulance - Contractual	<u>36,000</u>	<u>26,508</u>	<u>9,492</u>
Planning Commission:			
Salaries and Wages	-	1,490	-
Dues	-	550	-
Printing and Publishing	-	730	-
Total	<u>3,975</u>	<u>2,770</u>	<u>1,205</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Schedule 1

Page 4

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures (Continued):			
Public Safety (Continued):			
Zoning Board of Appeals:			
Salaries and Wages	-	1,200	-
Printing and Publishing	-	275	-
Total	<u>1,675</u>	<u>1,475</u>	<u>200</u>
Zoning Administrator:			
Salaries and Wages	-	3,030	-
Supplies	-	255	-
Postage	-	75	-
Contractual Services	-	4,513	-
Mileage	-	41	-
Total	<u>6,975</u>	<u>7,914</u>	<u>(939)</u>
Total Public Safety	<u>48,625</u>	<u>38,667</u>	<u>9,958</u>
Public Works – Roads	<u>95,395</u>	<u>35,248</u>	<u>60,147</u>
Other – Employee Benefits and Insurance	<u>12,800</u>	<u>13,414</u>	<u>(614)</u>
Capital Outlay:	<u>1,250</u>	<u>551</u>	<u>699</u>
Total Expenditures	<u>238,930</u>	<u>153,908</u>	<u>85,022</u>
<u>Excess Revenues (Expenditures)</u>	(1) \$ <u>(6,894)</u>	58,690	<u>\$ 65,584</u>
<u>Fund Balance</u> – Beginning of Year		<u>273,941</u>	
<u>Fund Balance</u> – End of Year		<u>\$ 332,631</u>	

(1) Budgeted from Fund Balance

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Schedule 2

Statement of Changes in Assets and Liabilities

Current Tax Collection Fund

For the Year Ended March 31, 2004

	<u>Balance</u> <u>03/31/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>03/31/04</u>
<u>Assets</u>				
Cash	\$ 1	\$ 1,785,305	\$ 1,784,024	\$ 1,282
Accounts Receivable	-	158	-	158
Total Assets	<u>\$ 1</u>	<u>\$ 1,785,463</u>	<u>\$ 1,784,024</u>	<u>\$ 1,440</u>
<u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 1	\$ 1,785,463	\$ 1,784,024	\$ 1,440
Total Liabilities	<u>\$ 1</u>	<u>\$ 1,785,463</u>	<u>\$ 1,784,024</u>	<u>\$ 1,440</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Schedule 3

2003 Property Tax Levy and Collections

For the Year Ended March 31, 2004

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	4.3912	\$ 314,612	\$ 285,965	\$ 28,647
County Transit	0.2414	16,725	15,202	1,523
Medical Care Facility	0.7035	51,980	47,247	4,733
Medical Care Facility Bond	0.5400	38,135	34,663	3,472
Senior Citizens	0.3862	26,763	24,326	2,437
Recycling	0.1447	10,022	9,110	912
State Education	5.0000	356,392	336,618	19,774
School District	19.3895	59,360	56,246	3,114
School District	21.6346	750,784	683,769	67,015
Intermediate School District	2.7298	189,677	172,406	17,271
Township:				
General	0.9692	66,199	60,171	6,028
District Library	0.9270	59,084	53,430	5,654
Commercial Forest Reserve		<u>174</u>	<u>174</u>	<u>-</u>
Total		<u>\$ 1,939,907</u>	<u>\$ 1,779,327</u>	<u>\$ 160,580</u>

Percent of Levy Collected 91.72%

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

South Arm Township

Schedule 4

Statement of Revenues and Expenditures

Property Tax Administration Fee

For the Year Ended March 31, 2004

Revenues:

Summer Property Tax Administration Fee	\$ 3,201
Summer Property Tax Collection Fee	<u>4,615</u>

Total	<u>7,816</u>
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Expenditures:

Assessor – 50%	9,121
Board of Review – 50%	610
Treasurer – 35%	<u>6,058</u>

Total	<u>15,789</u>
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Excess Expenditures	<u>\$ (7,973)</u>
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The Notes to the Financial Statements are an integral part of this statement